

Minneapolis Police Department Property & Evidence Room Audit

City of Minneapolis – Internal Audit Department
June 27, 2017

The MPD Property & Evidence Room is a well-controlled and functioning unit. The accuracy and condition of property and evidence maintenance is excellent considering current facilities and technology. We noted opportunities to further strengthen their processes.



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Date: June 27, 2017

To: Mayor Betsy Hodges, City Council Members, Supervisor Kerstin Hammarberg, Commander Gerald Moore, Deputy Chief Travis Glampe and City Coordinator Spencer Cronk

Re: Minneapolis Police Department Property & Evidence Room Audit

Findings Summary

Finding 1: Of 113 items expected to be in inventory, 3 were not located. One of the three items was located shortly after initial testing and verified by Internal Audit.

Internal Audit recommends conducting periodic inventories and improving processes for capturing information in the police Computer Assisted Police Records System (CAPRS).

Finding 2: Inaccurate data entries were observed in CAPRS for disposition statuses and item descriptions.

Internal Audit recommends conducting periodic inventories, and adding additional process steps for gun serial number entry and cash recount.

Finding 3: The Property & Evidence Unit maintains a large amount of cash on hand in the cash vault.

Internal Audit recommends collaborating with investigative and legal staff to establish guidelines for holding cash on hand for the minimum necessary time.

Finding 4.1: Areas for improvement were noted in disposition controls and disposition documentation.

Internal Audit recommends modifying the controls in place over the disposition of illegal substances and guns, and establishing a system to document steps taken during disposition.

Finding 4.2: The retention period for paper Property Inventory (PI) forms was not in line with the City retention schedule.

Internal Audit recommends reassessing the retention schedule and modifying practices to align with the result.

Finding 5: Various forms of access were not revoked in a timely manner when employment statuses changed; Property & Evidence Unit staff have significant control over inventory and records.

Internal Audit recommends verifying access changes take place timely, and improving segregation of duties controls for item disposition. Internal Audit also recommends the access issues be considered as part of the City Coordinator's work on access City-wide.

Background

The Minneapolis Police Department's (MPD) Property & Evidence Unit (P&E Unit) maintains and ensures the integrity of items needed as evidence for the judicial process. The P&E Unit also reunites owners with property that is rightfully theirs. The P&E Unit stores items in secure locations, and provides additional security around high value items such as guns, illegal substances, cash and jewelry. The International Association for Property and Evidence (IAPE) accredited the MPD P&E Unit in 2014. Accreditation under IAPE's professional standards affirmed that the P&E Unit had taken reasonable steps to obtain a secure and efficient property and evidence management system.

Items were generally brought by officers to a P&E Unit location, City Hall or Warehouse. P&E Technicians packaged items appropriately for long term storage and entered items into the police Computer Assisted Police Records System (CAPRS). Items were stored until requested for investigatory or court purposes, or authorized for disposition. Possible dispositions of items included return to an owner, transfer, forfeiture, auction, destruction or investigative hold.

Property was generally retained for a short period of time until an owner was notified and able to pick it up, or enough time passed that the item could be otherwise disposed of. Evidence was generally retained until the associated case, trial, and all appeals have ended. Certain types of evidence had to be retained for an extended time period per state statute, such as homicide evidence and biological specimens. Chain of custody (COC) information was maintained throughout the process to ensure evidentiary value of items was not lost.

The P&E Unit used two main systems to track information, a system of physical paper Property Inventory (PI) forms and CAPRS. PI's were used to track details of current item locations, COC and any other notes P&E staff deemed relevant, such as the results of checking a gun's serial number in the national database. Most information was also captured in CAPRS, and the two systems were expected to be updated in sync.

The MPD was in the process of planning major changes to its CAPRS system, and to the P&E Unit physical location. Additionally, the P&E Unit has undergone a number of other assessments from which some recommendations were still outstanding. We noted an opportunity to implement some of these outstanding recommendations as part of the changes, as discussed further in Appendix A.

Audit Results and Recommendations

Finding 1: Locating Inventory Items

Upon initial testing, 3 of 113 items expected to be in inventory were not located. One of the three items was located shortly after initial testing and verified by Internal Audit; it was not initially located due to misfiling. Two items were not located and P&E staff stated that they likely were disposed of, but records to support this were not available.

Testing Results

Internal Audit selected a sample of items that records showed should be physically located within P&E Unit custody. Information on item location and status is primarily tracked on paper Property Inventory (PI) forms. Most information is also captured in the Computer Assisted Police Records System (CAPRS) system, and the two are expected to be in line. CAPRS is not used to track items that are temporarily checked out for investigative or court purposes.

Our process involved sampling CAPRS data for items that have not been disposed of, finding the physical PI forms associated with those items, and then finding the items on the shelves. The sample covered a large number of different item property types, and skewed toward higher risk items.

Testing details:

Guns

One of the fifteen initially sampled guns was not located during testing. The gun was located by P&E staff later the same day, and Internal Audit was able to view it approximately one week later. Items are organized sequentially by year then property number; P&E staff stated this gun was placed at the beginning of the year instead of in proper order, so was missed during initial testing. As a result, we selected a supplemental sample of seventeen guns and found no missing or misfiled items.

Cash and Jewelry

One of the fifteen items selected was not located. The item was cash that was checked into the P&E Unit in 1990. P&E staff was also not able to locate the PI form for this item. P&E staff stated that based on the year they expect that the currency would have been disposed of in some manner by now, but no supporting documentation was available.

Other property types (22 total)

One of thirty eight items selected was not located. The item was a non-evidence bicycle checked into the P&E Unit in 1997. P&E staff was also not able to locate the PI form for this item. P&E staff stated that based on the year and type of item the bicycle would have been disposed of in some manner by now, but no supporting documentation was available.

Locating Inventory Items Recommendations

Internal Audit recommends that MPD P&E Unit:

- **Conduct Periodic Inventories:** Consider conducting a periodic complete inventory of items to ensure current status records are accurate. This could be conducted as part of the relocation

of the P&E storage locations, or as part of the process to barcode items during new software system implementation.

- **Inventories:** Although inventory of all items frequently may not be practical at this time, inventories should be carried out in the future to adhere to IAPE standards.¹
- **Maintain Disposition Records:** Consider maintaining records at least until an inventory testing cycle has occurred so that discrepancies identified during the inventory can be researched and explained by reviewing supporting documentation.
- **Ensure CAPRS is Updated:** While PI forms are still key sources of records, consider implementing an additional process to validate that accurate information is captured in CAPRS prior to PI destruction. This could include a separation of duties between identifying PIs ready for destruction, and verifying that all relevant data has been captured in CAPRS.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

- At this time, the logistics of doing a complete inventory are extremely difficult due to the technology, tools, and resources currently at our disposal. While we are in preparation for a move to a new location sometime in 2018-2019, we are currently addressing a much needed clean-up of old records. Added to this is the conversion of CAPRS data to a new records management system, which includes a new property and evidence management function.

Actions:

The plan being drafted for the immediate future will include an annual accounting of all firearms, cash, jewelry, and drugs. Along with this will include a spot-check of all other items to verify status.

At the time all items are barcoded, an annual inventory will be conducted on all items and documented for future audits. The annual inventory may include oversight from outside of the MPD Property and Evidence Unit for verification and validation purposes.

- Records are currently maintained until disposal information is verified in CAPRS. This is approximately 8-10 years after the item was originally taken into our custody.

Actions:

With the final check of the original PI forms, a supplement will be added that contains any additional handwritten notations from the inventories that has not been captured in CAPRS.

The original PI forms will then be scanned electronically and saved on disc for a length of time according to the City's Records Retention Schedule.

With the new records management system in place, the above steps may no longer be valid, but will be reviewed before changes are made.

1 - IAPE Standard 15.1: Inventories defines an inventory as the process of individually checking all or a specified portion of the Property/evidence items against an agency's records to ensure all items of property/evidence are accounted for. <http://home.iape.org/evidence-resources/iape-documents.html>

Finding 2: CAPRS Data Entry

Internal Audit noted several instances in which the current item status or description entered into CAPRS was not accurate. These discrepancies were caused by human error. These errors could cause investigators and other individuals relying on CAPRS for accurate data to get misleading information about inventory items.

Testing Results

Item disposition status

The total testing sample included four items that, according to CAPRS, were in inventory but were unable to be located. P&E staff were able to provide documentation showing these four items had been disposed of. Included were two cash items that were deposited, one gun that was destroyed, and one bank check that was destroyed. Because documents showing the items were disposed of, these four items were not included in the sample of 113 items expected to be in inventory discussed in Finding 1 above. Overall, this indicated an error rate of CAPRS item status of 4 out of 117, or 3.4%.

Other than the CAPRS data error, there were no issues with the disposition determinations for these items. However there is a chance that records showing these dispositions occurred could have been destroyed at a later point according to regular retention schedules without CAPRS - the only long term records system available - being updated. If that occurred, a subsequent audit would identify these items as missing because CAPRS would incorrectly show the items as still in inventory. According to P&E staff, this is likely what occurred with the missing items identified in Finding 1 above.

The destroyed gun identified in this finding was related to a sealed case. Currently P&E Supervisors can update the disposition status of items on sealed cases in CAPRS, but that was not always permitted. P&E staff stated it is likely this data entry error occurred because at the time of destruction they were unable to access sealed case items. There may be other sealed case related items that have been disposed of without CAPRS being updated.

Item descriptions

Of the observed description inaccuracies, two types presented higher risk to P&E Unit operations: inaccurate gun serial numbers; and inaccurate cash counts.

One of thirty-two sampled guns, or 3.1%, was entered with the incorrect serial number. This type of error could affect cases because gun serial numbers are unique and used to track guns nationally. This was not an isolated case - Internal Audit observed that as part of the gun disposition process conducted 5 years after initial gun receipt, the P&E Supervisor conducting the review made occasional corrections to various descriptions in CAPRS, including other serial numbers. In all instances where a serial number was corrected, the new number was run through the national database.

The process for depositing cash into the bank included a recount of the amount of cash on hand. The recount log showed occasional discrepancies between the amount recounted and the amount initially entered into CAPRS. In these cases, the amount in CAPRS was not updated to reflect the amount actually counted and deposited in the bank.

CAPRS Data Issues Recommendations

Internal Audit recommends that MPD P&E Unit:

- **Conduct Periodic Inventories:** Consider conducting a periodic complete inventory of items as discussed in detail in the first recommendation to Finding 1 above.
- **Process Improvement for Gun Serial Number Data:** Develop a control process to verify that gun serial numbers are correctly noted and entered into CAPRS. Because the entry process is manual, the control should consist of a second individual verifying the serial number by looking at the gun. The performance of this control should be documented, e.g. by requiring the verifier to initial the PI form. Once the CAPRS replacement system is in place, this control could be documented with an additional field.
- **Process Improvement for Cash Recount Data:** Expand the process for cash recounts to include corrections to CAPRS information when a discrepancy in the amount is noted. P&E should also consider identifying, tracking, and reviewing such discrepancies for red flags such as patterns of under counting.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

- Regarding the first item, please refer to Response #1, Bullet point #1.
- It is possible for serial numbers to be entered mistakenly. In order to avoid this error, verification by two people is a good practice. To correct this issue, a plan will be put into place for the following changes.

Actions:

Have two people verify serial numbers on all firearms at entry into CAPRS and NCIC.

In the future with the new records management system, a photograph will be taken of the firearm, and then a photograph of the serial number. These photos will be kept attached to the case.

- In the course of one year, a significant amount of cash is taken in, counted, documented in CAPRS, and stored. At the time it is recounted for the regular deposits if there is an error in counting it is noted. The majority of time an error occurs, it is an addition error, or an error of more money than what is noted.

Actions:

During cash counts for deposits, if a discrepancy is noted, it will be updated on the original paperwork and in CAPRS.

Shortfalls will be monitored for patterns.

Finding 3: Volume of Cash on Hand

The current process for handling cash includes making deposits approximately one year after cash is initially checked into P&E Unit custody. Cash is inventoried for this length of time because the P&E Unit needs to ensure the physical cash has no evidentiary value and can be deposited. As a result the P&E Unit maintained a significant amount of cash on hand.

Testing Results

Cash evidence items can be deposited as soon as they no longer have evidentiary value. This determination varies on a case to case basis. The investigator assigned to a case enters a disposition for cash into CAPRS.

The process involved P&E staff depositing approved cash items as well as researching aging cash items approximately one year after they were initially checked in. Some cases with cash items were assigned to investigators and approved for deposit and disposition. Other cases with cash items were assigned to investigators, but the feedback loop from the current case status did not always result in a timely update in CAPRS. Additionally in court cases, the attorney working on the case or appeals may be in the best position to determine whether cash has any evidentiary value, complicating the feedback loop further. Aging cash items not approved for deposit were managed by P&E staff by researching case and investigative history to determine if the cash could be deposited. Without P&E staff research, some cash items remain undeposited for an extended time.

The process could be improved by adjusting the investigator and attorney engagement with the goals of making more timely deposit designations and reducing reliance on P&E staff research to control aging cash items. A more reliable feedback loop from court results, including appeals results, would enable more timely designation of cash as not having any evidentiary value. For cash items that are aging, investigators and attorneys should be more easily able to determine whether cash has evidentiary value and enter those approvals into CAPRS. Making resources available for such determinations would improve segregation of duties and simplify P&E staff cash management responsibilities. It would allow P&E staff to focus more efforts on locating and depositing approved cash evidence and require less focus on conducting case and investigative research.

Some cash collected was property, and had no evidentiary value at any point. Such non-evidence items can be deposited immediately. This represents only about 5% of total cash checked into the P&E Unit, but depositing these amounts on a shorter time scale could reduce the amount of cash on hand. The downside of doing so would be that a large fraction of non-evidence cash gets returned within the first six months of getting checked into inventory. These amounts could be returned via check, or from a secure cash drawer containing a set amount of currency.

Volume of Cash on Hand Recommendations

Internal Audit recommends that MPD P&E Unit:

- ***Collaborate on Review Criteria to Enable Earlier Depositing:*** Collaborate with City attorney and investigative staff, and Hennepin County attorney staff, to establish clear criteria and time frames by which the evidentiary value of cash items must be determined, with the goal of maintaining the least possible cash on hand without jeopardizing cases. Consider incorporating an 'opt in' system which enables the P&E unit to deposit cash after a set time period unless they are otherwise notified by attorneys or investigators to maintain a hold.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

- The new RMS being implemented by the MPD is expected to have more electronic interaction with MNCIS court information. With this linkage, case outcome information is supposed to be provided through the system. This information will allow investigators and others to make disposition decisions in a more timely manner. Case disposition information will help in the disposal of all property or evidence, not just cash. The various entities being impacted are currently in discussions to ensure appropriate information is exchanged.

Actions:

At this time there is no action to be taken by MPD-Property and Evidence to make a change. The Business Technology Unit is the lead on this project.

- Having an appointed investigator or attorney involved in the review of all cases involving cash items, would not be an efficient or effective approach to the level of cash on hand in the vault. This recommendation may be more detrimental to the current process.

Actions:

Contact the city and county attorney's offices to present a plan for the deposit of all cash almost immediately upon receipt.

- Cash on hand currently is from January 2017 to the current date and is 6 months held as actual cash/coin. This is in line with current depositing policy.

Actions:

Cash from the vault is deposited on a monthly basis. In past discussions with the County Attorney's Office and the City Attorney's Office, both entities have requested that cash be on hand for 6 months from the date of inventory to allow for decisions in charging or if the money is needed for court. On average, one cash inventory per month is requested for court. It is rarely retained by the court as evidence, and so it is returned to MPD storage and then deposited in the bank.

The recommendation from this Unit is that all money be deposited immediately into the bank when it comes into MPD custody. This means that a zero balance is maintained of actual cash on hand. There is currently an established method to return cash to owners that could be improved upon to be more efficient. It may be beneficial to keep a small petty cash drawer available to return nominal amounts.

Finding 4: Disposition

Internal Audit observed issues with processes related to permanent item disposition and records retention.

Finding 4-1: Item Disposition

The disposition process includes determining that an item no longer needs to be kept in inventory, and disposing of the item in an appropriate way. Areas for improvement were noted in the disposition process controls and disposition documentation.

Testing Results

Disposition process for illegal substances

The disposition process for illegal substances consisted of packaging items ready for disposal in boxes, and transporting boxes to a destruction site once enough accumulated. It could be several months between when a box was packed and when it was destroyed.

There was a control in place to have MPD Narcotics staff spot check these boxes immediately prior to destruction to ensure that no items were being destroyed that may be still needed for a case. However, there was no check to ensure whether the items that were removed from storage and placed in boxes were still present before destruction. The controls over the disposition process could be improved by tracking which items are placed in which boxes and having the Narcotics Unit spot check also verify that items which were placed in the boxes are still present and in the correct quantities prior to destruction.

Disposition process for guns

The disposition process for guns consisted of verifying with Investigative staff that items no longer needed to be held, determining whether any guns could be returned or transferred, and destroying the remainder.

There was a control process conducted by P&E staff to verify that all the guns to be destroyed were present immediately prior to destruction. The control was conducted by staff that were not involved in the disposition process, but relied on a list of guns generated by staff that controlled the other disposition steps. The control could be improved if the review was based on the list of guns sent to investigators for approval. The control process would then be to verify that each gun from the approved list is either present for destruction, or is accounted for in some other way (i.e. still in inventory, or has transfer or return paperwork).

Disposition records

P&E staff take specific steps before disposing of items. The record of what disposition occurred was maintained in CAPRS and on PI forms. However, the record of steps taken prior to disposal was not systematically maintained. Such information was not captured in CAPRS, and was only tracked if P&E staff made notes on the PI forms as they conducted research on items to determine if they were ready for disposition.

There is an opportunity to improve records and processes for disposition. The disposition determination consists of specific required steps, so a checklist or other tool to capture staff work can be developed to capture this information. Additionally, IAPE standards section 15 on internal controls includes inventories, audits and inspections. Being able to easily review whether appropriate steps were followed for disposed items would make it easier to validate that the disposition process is functioning appropriately during IAPE internal controls efforts.

Item Disposition Recommendations

Internal Audit recommends that MPD P&E Unit:

- **Improve Illegal Substances Disposition Process:** Improve the controls for the illegal substances disposition process to include verification that specific inventory items staged for destruction are still present at time of destruction.
- **Improve Gun Disposition Process:** Improve the controls for the gun disposition process to include verification that all guns reviewed by investigators as part of the disposition process are accounted for prior to the time of destruction.
- **Improve Records and Processes for Disposition:** Establish a systematic process to generate a record of steps taken to determine that disposition was appropriate. MPD should strongly consider whether this can be built into the software system that is being planned as a CAPRS replacement. If not, P&E staff should develop their own system and determine retention periods for this info that is at least as long as the time between inventories/process audits.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

- The disposal of illegal substances is an involved process. Due to the amount of substances disposed of at one time, a double check of the entire quantity is not easily completed. Current practice is that before the disposal of these substances, the narcotics officers are contacted to make a random choice of a number of boxes prepared for disposal. The boxes are opened and contents verified for the following things: All seals intact, visual inspection of substances contained within the bags, and random field testing of any items desired. All items are returned to the boxes and boxes resealed. At the conclusion of the destroy, a case report is made which includes who was present and other details of the disposal. Paperwork (original inventories) for all items disposed of is retained until after the disposal and CAPRS is updated.

Actions:

In order to improve the controls on disposal of illegal substances, it is proposed that when these items are pulled from active inventory that they be put into numerical order in boxes designated for destroy. The contents of each box will be listed on the outside of the sealed box. These boxes will then be numbered for easier retrieval or review. Prior to disposal, the current system of random review and inspection will be conducted.

All other steps will remain in place.

- Disposal of firearms is done in a very systematic manner.

Actions:

The following changes will be implemented in addition to the current process: Staff verifying the presence of each gun prior to the actual destroy will work off of a complete list of weapons. This will be the list signed off on as being destroyed at the conclusion of the disposal.

- The process of determining appropriate dispositions for in-custody property and evidence is done in a variety of ways. Primary responsibility for this is with the investigators in charge of a case.

Actions:

A written procedure for determining appropriate dispositions will be developed for MPD-Property and Evidence.

Finding 4-2: Records Retention

The current process for retaining and disposing of paper PI forms allows for records destruction prior to the time period allowed by the City record retention schedule. This results in records being unavailable for review for the required time period for some items after their disposition.

Testing Results

Internal Audit discussed record retention practices with P&E Unit staff. The current practice uses physical PI forms as the primary records. These hard copy forms are generated when an item is first checked in to P&E Unit custody. P&E staff capture their work and research results in notes written on the items associated PI form. Some of the information captured on the PI forms is not tracked anywhere else in the current records and systems.

The records retention schedule for the City states that PI records need to be kept for six years after an item stops being 'active'. 'Active' is defined as until the items' associated case is closed, and a notice to release the item has been received and statute of limitations has expired or case final disposition is complete.²

The paper PI forms are retained as long as an item is retained by the P&E Unit, or until approximately ten years after the item initially entered into P&E Unit custody, whichever is longer. The P&E Unit has a systematic process for reviewing the paper PI forms at the ten year mark and determining whether the item is still in inventory. If an item was disposed of at or after the ten year mark, P&E staff will make sure that CAPRS is up to date, and then destroy the PI form.

Following this process allows for a PI to be destroyed before 6 years have passed since an item was active. PI information is important because, while CAPRS does track the disposition of an item, the details of work P&E staff have done to reach the disposition conclusion is captured only on the PI form. This particularly affects items for which notice to release or approval to dispose is received as part of, or after, the ten year mark review, as those PI forms get destroyed right away even though the item just stopped being active.

The City Clerk's office did note that if the current retention schedule is not in line with business needs, there may be an opportunity to adjust the schedule.

Records Retention Recommendations

Internal Audit recommends that MPD P&E Unit:

- **Evaluate Retention Schedule:** Discuss with City Clerk's office whether the current retention period for PI forms and the definition of active items are appropriate or can be adjusted.
- **Assess Future Paper PI Form Usage:** Determine whether the current practice of using paper PI forms as a key record will continue after the CAPRS replacement process.
 - If the current practice will continue, adjust PI destruction practices to be in line with the City record retention schedule.

2 - PBS-77-32: www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcms1q-074170.pdf

- If the CAPRS replacement system is expected to replace the use of paper PI forms, work to ensure that the retention period built in to that system satisfies the City record retention schedule.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

- The auditor suggested that the MPD Property and Evidence Unit reach out to the City Clerk's Office to review the definition of "active" items and the retention period for hardcopy/paper inventory forms. The goal of this conversation is to see if timing can be adjusted to be more in line with practice.

Actions:

A meeting will be requested with the City Clerk's Office to discuss this issue.

- After the new records management system comes online in 2018, the goal is to eliminate, as much as practical, the need for a paper record. There will continue to be some paper records that will need to be maintained, but the massive amount of paper will be reduced.

Actions:

A meeting will be requested with the City Clerk's Office to discuss this issue.

- The records retention period built into the new records management system is not an area that can be addressed by this Unit. It is an issue better directed to the Business Technology Unit to influence the new records management system and the retention of case information.

Actions:

No action from MPD-Property and Evidence will be taken on this issue. This issue would be better addressed by the Business Technology Unit working with the new records management system vendor.

Finding 5: Access Controls and Segregation of Duties

Access to P&E Unit areas of City Hall, and P&E Unit CAPRS roles, was not revoked timely when employment statuses changed. This was caused by communication issues between staff aware of the changes, and staff responsible for controlling access. As a result, City systems and overnight property and evidence storage areas were vulnerable to inappropriate access. Available records did not show inappropriate CAPRS access or badge access occurred; key access could not be verified.

Testing Results

Three different issues were observed: key access for City Hall P&E Unit areas; badge access for the City Hall P&E Unit over-night locker area; and CAPRS access.

Keys

Internal Audit reviewed key logs for doors that provide access to P&E Unit areas. Key logs were obtained from the Municipal Building Commission (MBC), which issues and controls keys, and from the P&E Unit Supervisor, who maintains a key log for MBC issued keys, vault keys and warehouse location keys. The following issues were noted, in descending order of criticality:

- MBC's key log listed keys that were issued to both P&E staff, and keys issued to MBC and building service staff. Two keys were issued to a contractor and were not able to be located. These keys provide access to an area used for temporary storage of certain property and evidence.
- MBC was responsible for operating and maintaining City Hall, including provisioning access keys. MBC's key log, which needs to be kept up to date to ensure access can be monitored and controlled, had minor discrepancies:
 - Two of twenty-four individuals on MBC's key log list were assigned to 1) a deceased and 2) a retired employee. Keys were in known locations, but the list was out of date.
 - Minor discrepancies were also noted between the P&E Supervisor key log, updated in early 2017, and MBC's key log.

Badges

Internal Audit reviewed the log of individuals with badge access to the P&E Unit. Badge access allows individuals to access the overnight storage area, which doubles as the main entrance for officers and P&E staff during regular hours. The log included 1,387 badges, from which a sample was selected for testing.

- Three of forty two, or 7.1%, of sampled individuals were not current employees and should have had badge access revoked. Two individuals were Minneapolis Park and Recreation Board police staff, and one was City staff. None of the badges were used after the employee termination dates.

CAPRS

Internal Audit reviewed the list of individuals with P&E staff CAPRS access levels. CAPRS can be accessed only from inside the City network, including through securely connected laptops and MPD squad cars.

- Three of twenty, or 15%, of individuals on the access list were not current employees. None of the access credentials were used after the employee termination dates.

Segregation of Duties

Internal Audit observed that P&E staff had access to both physical items and the primary records associated with the location and status of those items in the form of physical PI forms. The secondary record was electronic CAPRS data, and P&E staff also had access to approve item dispositions and generate disposition records.

With the planned CAPRS replacement, paper PI forms may be able to be eliminated, which would remove P&E staff's current direct and generally untraceable access to those primary records. Doing so would enable automated segregation of duty controls within the new system to be more effectively implemented.

Internal Audit observed that of all evidence inventoried in CAPRS a disposition was authorized by a P&E Supervisor for approximately 20% of these items. There is an opportunity to increase controls over these higher risk items in P&E Unit custody by reducing the ability of P&E staff to approve disposition for evidence; this would only be efficient if a systematic and effective approach was in place to reliably obtain authorizations outside of the P&E unit.

For evidence items, the MPD Policy and Procedure Manual stated that assigned case investigators were responsible for indicating the disposition of evidence in CAPRS when a case is closed or inactivated.³ P&E Unit policies allowed P&E Supervisors to have some degree of authority to authorize dispositions of evidence, in particular where an investigator was no longer assigned to a case. A 20% rate of CAPRS approval entries being made from within P&E strongly implies that the MPD policy requiring investigators to indicate disposition is not effective.

Access Controls Recommendations – MPD P&E Unit:

Internal Audit recommends that the MPD P&E Unit:

- **Implement Two-Part Communication System:** Work with key, badge and CAPRS access providers to implement a two-part communication system. The system should include timely communication of changes to those providers, and timely confirmation from the providers that changes have been made. This would enable appropriate access to be monitored and controlled by the P&E Unit and the providers.
- **Assess Future Paper PI Form Usage:** Work to ensure that the implementation of the CAPRS replacement results in a system that can replace the current paper PI forms as the primary record for inventoried items.
- **Consider Further Segregation of Duties:** Consider increasing segregation of duties through collaboration with MPD investigative and MPD legal staff to generate disposition approvals for items associated with cases that are not otherwise assigned.

MPD P&E Unit Response

The MPD-Property and Evidence Unit agrees with the audit findings.

During the audit it was discovered that keys were not able to be located to a secured area. Due to this discovery, the Unit Supervisor has done the following:

- Contacted the MBC to have the affected lock changed.
- New keys were issued to all MPD-Property and Evidence Unit staff with a need to have access to the affected area.

Actions:

All other keys are accounted for by the Unit Supervisor and MBC key control personnel.

In the new facility, there will be more electronic access and fewer keys, so that to change, add, or delete access will be more controlled.

- The issue of access control for the Locker Room door is better addressed with Property Services of the City of Minneapolis. They maintain access to all electronic key pads.

Actions:

Unit Supervisor will notify chain of command and Human Resources when there are personnel changes so that access can be corrected as soon as possible.

- The issue of access control for CAPRS is better addressed with the Business Technology Unit, IT, and Human Resources. They maintain access to employee records and who is an active employee that should have access to electronic systems.

Actions:

Unit Supervisor will notify chain of command and Human Resources when there are personnel changes so that access can be corrected as soon as possible.

- The new records management system intends to replace paper forms with electronic forms to reduce the need for paper records.

Actions:

Refer to Response #4-2, Bullet #2.

- Many cases are unassigned in the general course of department work. On unassigned cases, no one is in charge of making a determination for disposal of property or evidence.

Actions:

Refer to Response #4-1, Bullet #3.

Access Controls Recommendations – City Coordinator’s Office:

A previous audit report that also identified access issues was referred to the City Coordinator by Council Action⁴, directing the City Coordinator to help coordinate the follow-up on termination procedures of the City enterprise. We recommend that the City Coordinator:

- **Consider Identified Issues with Termination Procedures:** Consider the identified issues with terminated employee MBC key access, CAPRS (and future replacement system) access and badge reader access in its work coordinating follow-up on termination procedures of the City enterprise.

City Coordinator Response

The City Coordinator agrees with the recommendation and will incorporate these issues into our work as we develop protocol for timely, effective communication between supervisors/managers and critical department staff to terminate system access. The protocol can be finalized by October 2017. Because the actions will involve Finance, Property Services IT and HR, implementing the protocol will occur by no later than second quarter of 2018.

4 - Council Action in File No. 16-01042 published on July 30, 2016

Acknowledgments

The City of Minneapolis Internal Audit team would like to acknowledge the time, effort and partnership put forth from the Property and Evidence Unit supervisors and staff. Their collaboration was excellent, and requests for information and staff time were answered with very short turnaround times. Internal Audit would also like to thank all other MPD commanders, lieutenants, sergeants and officers that provided us with information, the MPD Business Technology Unit and City Information Technology staff that provided us with data, Municipal Building Commission staff, and all other City employees that assisted us with our work.

Appendix A: Objectives, Scope and Approach

Objective

This audit was conducted as a part of the Internal Audit Department's Fiscal Year 2017 Annual Audit Plan. The objectives of this audit were to assess the adequacy of controls in place to ensure preservation of chain of custody, ensure preservation of property and evidence, and ensure appropriate disposal and destruction. The audit also reviewed the accuracy of current inventory, and adequacy of disposal and destruction documentation.

Scope

The audit scope included a review of how the MPD P&E Unit:

- Receives, inventories and establishes COC in property and evidence.
- Maintains property and evidence while in its custody.
- Releases evidence for investigatory or court purposes.
- Conducts its disposal of property and evidence.

Approach

To accomplish our audit objectives, Internal Audit:

- Reviewed Minnesota statutes, IAPE Standards, NIST best practices, Minnesota Office of State Auditor Property and Evidence best practices and audits of Property and Evidence functions of other cities and states.
- Reviewed prior audits and reviews of the MPD P&E Unit, the MPD policy manual and forms available on the intranet.
- Interviewed P&E Unit supervisors and staff; MPD commanders, lieutenants, sergeants and officers; and attorneys and paralegals that interact with the P&E Unit.
- Acquired CAPRS data from City IT staff, bank statements from City Finance staff and access information from City Security and Municipal Building Commission staff.
- Analyzed CAPRS data, sampled a variety of different property items and with P&E Unit staff assistance located items in storage at the City Hall and Warehouse locations.
- Reviewed bank statements, compared access logs to current employees, reviewed chain of custody tracking documentation and reviewed documentation of disposition activities.
- Walked through various item intake and disposition processes with P&E Unit supervisors and staff.

Appendix B: Prior Reviews and Upcoming Opportunities

Prior reviews and upcoming opportunities

The current audit occurred just prior to crucial points both for all MPD operations, and for P&E Unit operations specifically. The P&E Unit was in the process of determining a new physical location for its operations, and MPD was in the process of determining requirements for a replacement software system to CAPRS, which was custom built for the MPD in 1990.

In addition to the current audit, the P&E Unit has undergone a number of assessments, including by the Office of the State Auditor, Minneapolis Internal Audit, MPD Quality Assurance Unit, and as part of the IAPE Accreditation review. There are some recommendations still outstanding from these prior reviews that may have been impractical to implement.

As a result, of the planned changes there are significant opportunities to incorporate some of the observations and recommendations from prior reviews into the design of the new physical location, and into the new software system. Internal Audit learned in discussions that a number of such improvements were being discussed, and strongly encourage MPD and the P&E Unit to identify and implement as many prior recommendations as practical. Previously identified recommendations that are expected to be addressed include:

- Physical space
 - Increase security by increasing security camera coverage and installing additional badge reader access controls.
 - Increase security by providing separate physical access for public, and for investigative and court purposes.
 - Install appropriate temperature, humidity and ventilation controls, in particular for long-term biological evidence storage and high security vault locations.
 - Design space to enable easy access between overnight storage locker area, biohazard drying area, and refrigerated storage. Current set-up made access difficult, and internal audit observed an instance of a biological sample kit placed in an overnight locker instead of being refrigerated.
 - Implement shelving and storage solutions that minimize stacking of cardboard boxes – some evidence must be stored for an extended time and a number of older stacked homicide storage containers are visibly damaged from weight and difficult to access.
- Software system design
 - Implement bar coding of items.
 - Implement electronic chain of custody tracking.
 - Implement disposition timetables for item and case types at time items are checked in to P&E Unit custody.
 - Implement ability to directly upload documentations (pictures, letters, requests, etc.).
 - Implement integrations with court system to more easily receive information on case statuses.
 - Reduce or eliminate the need for maintaining paper PI records, and rely on the electronic system as the single system of record.

Appendix C: MPD Property & Evidence Unit Response

Minneapolis Police Department Property and Evidence Room Audit May 2017

Response #1: (Locating Inventory Items)

The MPD-Property and Evidence Unit agrees with the audit findings.

- At this time, the logistics of doing a complete inventory are extremely difficult due to the technology, tools, and resources currently at our disposal. While we are in preparation for a move to a new location sometime in 2018-2019, we are currently addressing a much needed clean-up of old records. Added to this is the conversion of CAPRS data to a new records management system, which includes a new property and evidence management function.

Actions:

The plan being drafted for the immediate future will include an annual accounting of all firearms, cash, jewelry, and drugs. Along with this will include a spot-check of all other items to verify status.

At the time all items are barcoded, an annual inventory will be conducted on all items and documented for future audits. The annual inventory may include oversight from outside of the MPD Property and Evidence Unit for verification and validation purposes.

- Records are currently maintained until disposal information is verified in CAPRS. This is approximately 8-10 years after the item was originally taken into our custody.

Actions:

With the final check of the original PI forms, a supplement will be added that contains any additional handwritten notations from the inventories that has not been captured in CAPRS.

The original PI forms will then be scanned electronically and saved on disc for a length of time according to the City's Records Retention Schedule.

With the new records management system in place, the above steps may no longer be valid, but will be reviewed before changes are made.

Appendix C: MPD Property & Evidence Unit Response

Response #2: (CAPRS data entry)

The MPD-Property and Evidence Unit agrees with the audit findings.

- Regarding the first item, please refer to Response #1, Bullet point #1.
- It is possible for serial numbers to be entered mistakenly. In order to avoid this error, verification by two people is a good practice. To correct this issue, a plan will be put into place for the following changes.

Actions:

Have two people verify serial numbers on all firearms at entry into CAPRS and NCIC.

In the future with the new records management system, a photograph will be taken of the firearm, and then a photograph of the serial number. These photos will be kept attached to the case.

- In the course of one year, a significant amount of cash is taken in, counted, documented in CAPRS, and stored. At the time it is recounted for the regular deposits if there is an error in counting it is noted. The majority of time an error occurs, it is an addition error, or an error of more money than what is noted.

Actions:

During cash counts for deposits, if a discrepancy is noted, it will be updated on the original paperwork and in CAPRS.

Shortfalls will be monitored for patterns.

Appendix C: MPD Property & Evidence Unit Response

Response #3: (Volume of Cash on Hand)

The MPD-Property and Evidence Unit agrees with the audit findings.

- The new RMS being implemented by the MPD is expected to have more electronic interaction with MNCIS court information. With this linkage, case outcome information is supposed to be provided through the system. This information will allow investigators and others to make disposition decisions in a more timely manner. Case disposition information will help in the disposal of all property or evidence, not just cash. The various entities being impacted are currently in discussions to ensure appropriate information is exchanged.

Actions:

At this time there is no action to be taken by MPD-Property and Evidence to make a change. The Business Technology Unit is the lead on this project.

- Having an appointed investigator or attorney involved in the review of all cases involving cash items, would not be an efficient or effective approach to the level of cash on hand in the vault. This recommendation may be more detrimental to the current process.

Actions:

Contact the city and county attorney's offices to present a plan for the deposit of all cash almost immediately upon receipt.

- Cash on hand currently is from January 2017 to the current date and is 6 months held as actual cash/coin. This is in line with current depositing policy.

Actions:

Cash from the vault is deposited on a monthly basis. In past discussions with the County Attorney's Office and the City Attorney's Office, both entities have requested that cash be on hand for 6 months from the date of inventory to allow for decisions in charging or if the money is needed for court. On average, one cash inventory per month is requested for court. It is rarely retained by the court as evidence, and so it is returned to MPD storage and then deposited in the bank.

The recommendation from this Unit is that all money be deposited immediately into the bank when it comes into MPD custody. This means that a zero balance is maintained of actual cash on hand. There is currently an established method to return cash to owners that could be improved upon to be more efficient. It may be beneficial to keep a small petty cash drawer available to return nominal amounts.

Appendix C: MPD Property & Evidence Unit Response

Response #4-1: (Disposition)

The MPD-Property and Evidence Unit agrees with the audit findings.

- The disposal of illegal substances is an involved process. Due to the amount of substances disposed of at one time, a double check of the entire quantity is not easily completed. Current practice is that before the disposal of these substances, the narcotics officers are contacted to make a random choice of a number of boxes prepared for disposal. The boxes are opened and contents verified for the following things: All seals intact, visual inspection of substances contained within the bags, and random field testing of any items desired. All items are returned to the boxes and boxes resealed. At the conclusion of the destroy, a case report is made which includes who was present and other details of the disposal. Paperwork (original inventories) for all items disposed of is retained until after the disposal and CAPRS is updated.

Actions:

In order to improve the controls on disposal of illegal substances, it is proposed that when these items are pulled from active inventory that they be put into numerical order in boxes designated for destroy. The contents of each box will be listed on the outside of the sealed box. These boxes will then be numbered for easier retrieval or review. Prior to disposal, the current system of random review and inspection will be conducted.

All other steps will remain in place.

- Disposal of firearms is done in a very systematic manner.

Actions:

The following changes will be implemented in addition to the current process: Staff verifying the presence of each gun prior to the actual destroy will work off of a complete list of weapons. This will be the list signed off on as being destroyed at the conclusion of the disposal.

- The process of determining appropriate dispositions for in-custody property and evidence is done in a variety of ways. Primary responsibility for this is with the investigators in charge of a case.

Actions:

A written procedure for determining appropriate dispositions will be developed for MPD-Property and Evidence.

Appendix C: MPD Property & Evidence Unit Response

Response #4-2: (Records Retention)

The MPD-Property and Evidence Unit agrees with the audit findings.

- The auditor suggested that the MPD Property and Evidence Unit reach out to the City Clerk's Office to review the definition of "active" items and the retention period for hardcopy/paper inventory forms. The goal of this conversation is to see if timing can be adjusted to be more in line with practice.

Actions:

A meeting will be requested with the City Clerk's Office to discuss this issue.

- After the new records management system comes online in 2018, the goal is to eliminate, as much as practical, the need for a paper record. There will continue to be some paper records that will need to be maintained, but the massive amount of paper will be reduced.

Actions:

A meeting will be requested with the City Clerk's Office to discuss this issue.

- The records retention period built into the new records management system is not an area that can be addressed by this Unit. It is an issue better directed to the Business Technology Unit to influence the new records management system and the retention of case information.

Actions:

No action from MPD-Property and Evidence will be taken on this issue. This issue would be better addressed by the Business Technology Unit working with the new records management system vendor.

Appendix C: MPD Property & Evidence Unit Response

Response #5 (Access Controls and Segregation of Duties)

The MPD-Property and Evidence Unit agrees with the audit findings.

During the audit it was discovered that keys were not able to be located to a secured area. Due to this discovery, the Unit Supervisor has done the following:

- Contacted the MBC to have the affected lock changed.
- New keys were issued to all MPD-Property and Evidence Unit staff with a need to have access to the affected area.

Actions:

All other keys are accounted for by the Unit Supervisor and MBC key control personnel.

In the new facility, there will be more electronic access and fewer keys, so that to change, add, or delete access will be more controlled.

- The issue of access control for the Locker Room door is better addressed with Property Services of the City of Minneapolis. They maintain access to all electronic key pads.

Actions:

Unit Supervisor will notify chain of command and Human Resources when there are personnel changes so that access can be corrected as soon as possible.

- The issue of access control for CAPRS is better addressed with the Business Technology Unit, IT, and Human Resources. They maintain access to employee records and who is an active employee that should have access to electronic systems.

Actions:

Unit Supervisor will notify chain of command and Human Resources when there are personnel changes so that access can be corrected as soon as possible.

- The new records management system intends to replace paper forms with electronic forms to reduce the need for paper records.

Actions:

Refer to Response #4-2, Bullet #2.

- Many cases are unassigned in the general course of department work. On unassigned cases, no one is in charge of making a determination for disposal of property or evidence.

Actions:

Refer to Response #4-1, Bullet #3.